Decline in the Budgetary support to Coal India Ltd.

*487. SHRI TRILOKI NATH CHATURVEDI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of COAL be pleased to state:

(a) whether it is a fact that as the market becomes freer, quality consideration will not allow Coal India Ltd. the monopolistic entity;

(b) if so, what steps are being taken by Coal India Ltd. to meet the situation;

(c) whether it is a fact that the net outstanding from the State Electricity Boards as on February 28, 1994 were at Rs. 3803 crores more than last year;

(d) if so, what steps have been taken by the Company to recover the above amount and with what results;

(e) whether it is also a fact that the net budgetary support to Coal India Ltd. is on the decline and if so, to what extent; and

(f) in what manner Coal India is going to take up its modernisation programme under the circumstances?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT KUMAR PANJA): (a) and (b) As the coal market becomes more free and captive coal mines come into existence competition is bound to increase. This would also bring forth increased quality awareness both on the part of consumers and Coal India Ltd.

Following are some of the steps being taken by Coal India Limited to meet the competition.

(i) Ensuring adequate and timely supply of coal to consumers.

(ii) Setting up feeder breakers and coal handling plants for proper sizing and ensuring supply of coal free from extraneous materials.

(iii) Encouraging washeries for non-coking coal in the private as well as public sectors to ensure improved and consistent quality of coal supplies.

(c) and (d) The total coal sales dues payable by consumers to Coal India Ltd. (CIL)) have gone up to Rs. 3907 crores (provisional) as on 31-3-1994. Of these, the outstandings from Power Utilities alone added upto Rs. 3127.44 crores (provisional) as on 31-3-1994. The corresponding figure for 28-2-1994 was Rs. 3084 crores (provisional).

Following steps are being taken to recover these outstanding dues:

(i) All power units commissioned after 1-4-1989 were being supplied coal only against advance payments or against revolving Letter of Credit.

(ii) Government of India have adjusted in four equal annual instalments all undisputed coal sales outstanding as on 31st May 1990 against the Central Assistance to State Plans payable to the State Governments whose State Electricity Boards and Power Utilities had defaulted.

(iii) In view of the mounting arrears of coal sale dues, Ministry of Coal advised CIL to start supplying coal to the Power Utilities only against advance payments. This scheme which is better known as

Cash and Carry Scheme was introduced with effect from 1-10-1991.

(iv) State Governments have been requested to persuade/enable their State Electricity Boards to clear the outstanding dues at the earliest.

(v) Joint Secretary, incharge of distribution of coal in the Ministry of Coal visited many State Governments and held discussions with the Power Secretaries and Chairmen of Electricity Boards for resolving the matter regarding clearance of outstanding dues.

(e) Yes, Sir. The net budgetary support to Coal India Limited came down from Rs. 513 crores in 1990-91 to Rs. 133 crores in 1993-94.

(f) With decline in budgetary support, CIL will have to increasingly depend on internal generation of resources and borrowings to finance its investment plans. Consistent profitability for last three years should help CIL in borrowing funds for investment from the open market.

Incentives to Small Medium Exporters

*488. SHRI IQBAL SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Government have not provided any incentives to small and medium exporters in the new revised Export-Import Policy;

(b) if so, the details thereof and reasons therefor;

(c) whether it is a fact that the policy will benefit only large exporters, while small and medium exporters contribute about 70 per cent of the total exports of the country; and

(d) what concrete steps Government propose to take to abolish the class system and categorisation of exporters into super star trading houses ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED) : (a) to (c) The new revised Export & Import Policy extends equal opportunity to small and medium exporters. Bulk of the country's exports in terms of value are taking place through Export/Trading/Star Trading/ Super Star Trading Houses. Such status is granted on the basis of prescribed export performance level and all exporters including small and medium exporters are extended equal treatment. If the status is claimed in terms of FOB value of exports, double weightage is given to export of products manufactured by small scale industry (SSI), Handloom and Handicrafts including Sport Goods, Hand Knotted Carpets and Silk Products. If the status is claimed in terms of net foreign exchange (NFE) earned, double weightage is given to the exports products manufactured by SSI and triple weightage is given to the NFE earned on the exports of Hand-Knotted Carpets and Silk Products manufactured by the Handloom and Handicrafts sectors. Such status holders are extended equal treatment for getting transferable Special Import Licence valid for the import of specified items of negative list of import. Under the duty exemption scheme, SSI units have been extended the facility to give the bank guarantee wherever applicable, at 50% of the normal requirement.

(d) It is not expedient to do away with the categorisation of exporters as due consideration has to be accorded depending upon the level of their export performance.